

Background

- Research and preparation of report were carried out between June and December 2015 by Consult 5 (Paul Cox) with support from North Coal (Jason Swanson)
 - Revisions to the report were made in summer and fall of 2017 by Consult 5
 - Includes 2016 Census Data
- Primary data collection methods were literature reviews and semistructured interviews with knowledgeable individuals
 - 36 interviews completed in November 2015 with follow up conversations taking place in August 2017
 - Representatives from local districts, municipalities, service providers (RCMP, health administrators), chambers of commerce, etc.
 - A complete list of interviewees can be found in Appendix B of the report

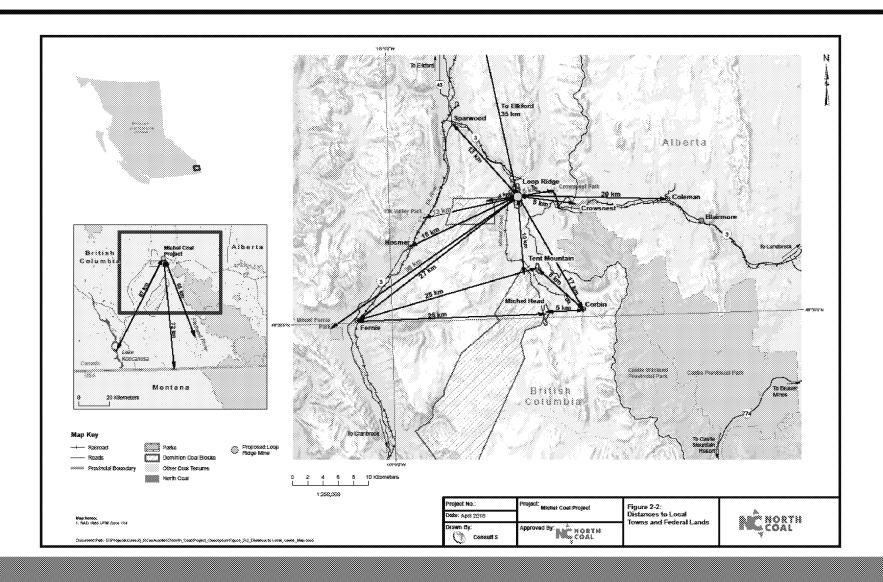


Study Areas

- The Local Study Area (LSA) for the Project has been defined as the:
 - City of Fernie, the District Municipality of Sparwood and the District Municipality of Elkford
 - Adjacent rural areas within the RDEK Electoral Area A
 - Municipality of Crowsnest Pass, Alberta
- The Regional Study Area (RSA) is defined as the:
 - Regional District of East Kootenay
 - Municipality of Crowsnest Pass, Alberta
- Approximately 70% of the Elk Valley mine workforce lives in the communities of Fernie, Sparwood, Elkford and Crowsnest Pass; the remaining 30% reside in more distant communities, including Cranbrook, Lethbridge and Calgary (Teck 2014)



Study Areas - Distance to Local Towns





Valued Components

- Results of the study were organized under three main Valued Components with sub-components examined under each
- Economic Conditions, Infrastructure and Services, and Community Wellbeing
- Topics addressed under the <u>Economic</u>
 <u>Condition</u> VC are:
 - Employment; Regional Economic
 Activity; Local Business Opportunities;
 and Local Government Finances





Economic Conditions Results

- The following is a list of Economic Development Challenges identified by the communities, industry, and others:
 - Retention in the area loss of workers
 - Business environment lack of basic services
 - Lands and Facilities for businesses lack of office and meeting space
 - Cyclical nature of the mining industry discourages investment
 - Labour difficulties facing small businesses difficult to attract qualified labour
 - Proximity to USA and Alberta outflow of business and retail activity
 - Shift rotation 12-hour, 4-day shift rotation allows mine workers to live in other population centres



Economic Conditions Results



- Demographic change aging population and flat or declining labour force growth
- Educational barriers limited availability of post-secondary education and training
- Challenges facing workers with young children – affordable childcare limiting participation in training and choices about employment
- Impediments for seniors limited services and recreation opportunities for retired demographic



Infrastructure and Services

- Topics addressed under the <u>Infrastructure and Services</u> VC are: Transportation; Housing; Community Infrastructure; and Community Planning; Population and Demographic Composition
 - Previous studies have suggested that there are issues with housing adequacy and affordability in local communities
 - A severe lack of rental housing was noted limiting options for seasonal/temporary workers as well as low- and modest-income permanent residents
 - Low vacancy rates and rent increases are believed to be limiting potential homebuyers' ability to save for the required down payment to purchase a home



Community Well-Being

- Topics addressed under the <u>Community Well-Being</u> VC are: family and community cohesion; public safety; health care; and education and social services
 - During its review of the Baldy Ridge Extension Project the District of Sparwood expressed concerns over the Project's affect on Community Livability
 - North Coal will work with the District of Sparwood to find ways to mitigate Community Livability impacts associated with mining:
 - Local recreational activities
 - Nuisance from Dust, Noise and Vibration
 - Visual aesthetics
 - Retaining residents
 - Encouraging residents to invest in Sparwood
 - Shift Schedule



Working Collaboratively with the Ktunaxa

- North Coal has begun initial discussions with the Ktunaxa social sector to discuss barriers to Ktunaxa employment and potential mitigations
 - Some of the barriers identified: lack of affordable housing in the Elk Valley; lack of a sense of place (Ktunaxa nest); lack of basic certifications (drivers license); lack of professional certifications (trade tickets, degrees); lack of access to capital



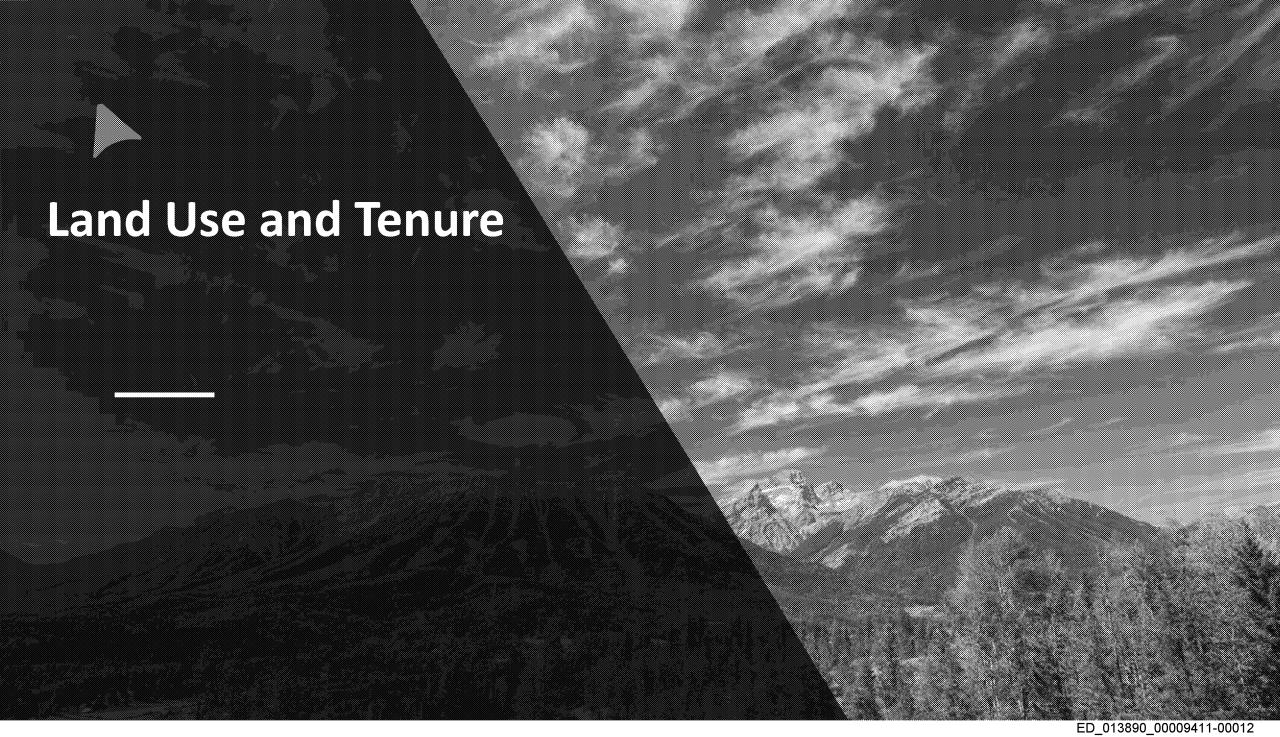


Working Collaboratively with the Ktunaxa

- North Coal will continue to work with the Ktunaxa to develop potential mitigation measures to encourage and increase Ktunaxa employment in the Elk Valley and stimulate economic growth and business development through our environmental and socio-economic programs
 - Reclamation and closure, furbearers, mining support industries (trucking, catering, sanitation, etc.)

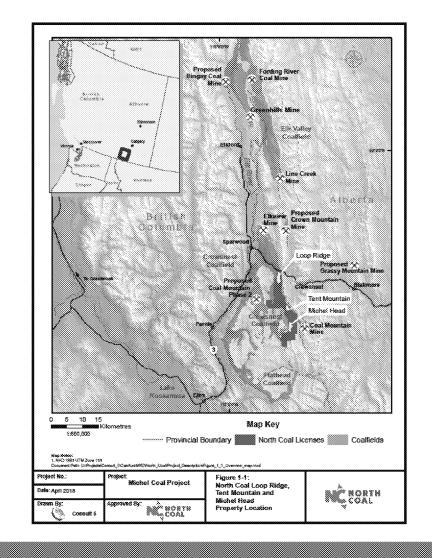






Study Area

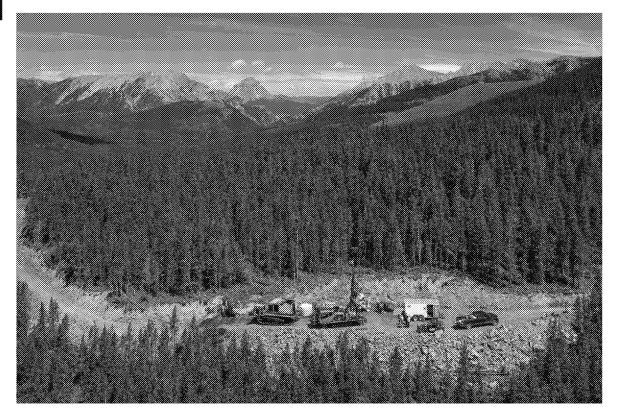
- LSA has been defined as the Project Footprint plus a buffer of 1 km
 - Consistent with fine scale LSA for Vegetation and Wildlife
- RSA has been defined as the communities of Sparwood, Elkford, Fernie and their nearby rural population, along with Crowsnest Pass, Alberta
 - Where the majority of workers active on the Project, and their families, will reside





Land Use and Tenure VC

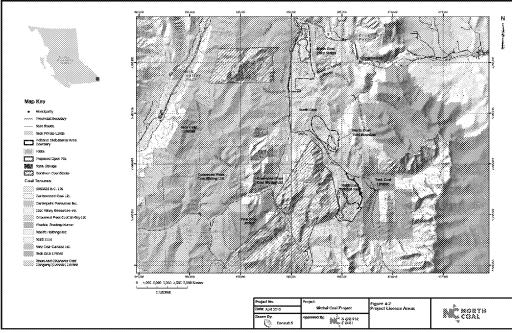
 Topics addressed in this VC are: land and resource management and planning; lands and resource tenures and activity; other registered interests; public recreation and tourism activity; and public access to land use opportunities



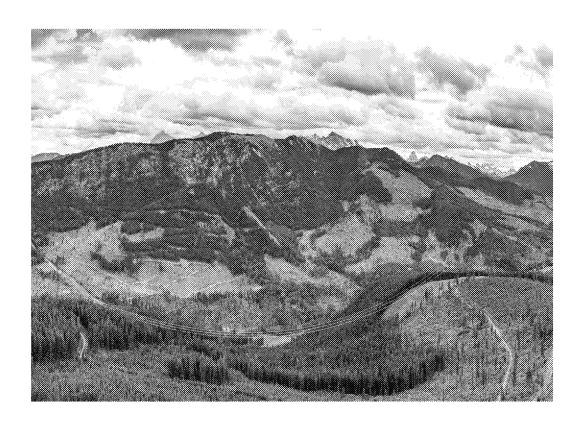


Regional Overview

- The Michel Creek watershed includes a transportation corridor (Highway 3, Corbin Road, gas pipelines, power lines, and CP Rail), and two active coal mines (Coal Mountain Operations and Elkview Operations)
- Also active forestry, trapping, hunting, and resource exploration
- Area is heavily used for outdoor recreation, particularly motorized recreation with ATVs and snowmobiles, as well as sport fishing
- The entire project area is on private land



Forestry Activity



- In 2014 Tembec sold 49,500 hectares of land and timber rights near Fernie,
 Sparwood and Elkford to Jemi Fibre
- In March 2016, Jemi Fibre became a wholly owned subsidiary of CanWel
- In 2009, the Ktunaxa Nation signed a 25year agreement with the Province for a community forest arrangement within the Government of Canada's Dominion Coal Blocks (Parcels 73 and 82) adjacent to the North Coal license area



Forestry Activity

- There has been extensive logging throughout the North Coal license area since 2014
- North Coal has recently signed a Data Sharing Agreement with CanWel which will inform the Land Use and Tenure VC
- North Coal has committed to progressive reclamation through the life of the project
- North Coal is currently in discussions with CanWel to purchase the land; details still to be finalized





Hunting and Trapping



- There are two trapline leases which overlap with the LSA
- Both lease areas lie within WMU 4-23 and are considerable larger than the land area which coincides with the Project footprint
- Trapping activity data supplied by FLNRO show that in recent years lynx and marten were the main species harvested
- North Coal has been actively engaging with local fish and wildlife associations
 - Comments were mostly focused around access, scheduling, and connectivity





